



481 40.00
 484 120.00
 482 75.00

GANDIN, SCHOTSKY, RAPPAPORT, GLASS & GREENE, LLP
 ATTORNEYS AT LAW

445 Broad Hollow Road (Route 110), Melville, NY 11747-4740 TEL: (516) 293-2300 • FAX: (516) 293-2918
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5-25-99

May 24, 1999

05-25-1999



VIA OVERNIGHT

101012605

United States Patent and Trademark Office
 Attn: Customer Services Counter
 Crystal Gateway 4, 3rd Floor
 1213 Jefferson Davis Highway
 Arlington, VA 22202

Attention: Assignment Division Manager
 Audrey Britt

Dear Audrey Britt:

Enclosed for recordation on an expedited basis in order to insure that the assignment granted herein is perfected on a priority basis, please find a Trademark Collateral Assignment and Security Agreement for the following Trademarks:

Trademark Numbers

1,287,682
 2,031,653
 2,019,699
 75-547483

For your convenience, I note the following information:

1. Name of conveying party. Cohen Fashion Optical, a New York corporation.
2. Name and address of receiving party. KeyBank National Association, 1377 Motor Parkway, Hauppauge, New York 11788.

The receiving party is a New York State banking corporation.

3. Nature of Conveyance. Collateral Assignment and Security Agreement.

RECEIVED
 MAY 25 1999
 ASSIGNMENT SERVICE
 01606

05/25/1999 DCOATES 00000065 1287682

01 FC:481 40.00 OP
 02 FC:482 75.00 OP
 03 FC:484 120.00 OP

TRADEMARK
REEL: 1866 FRAME: 0861

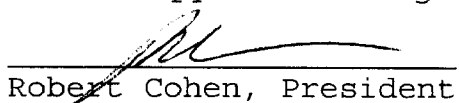


GANDIN, SCHOTSKY, RAPPAPORT, GLASS & GREENE, LLP
ATTORNEYS AT LAW

Execution Date: May ___, 1999

4. Trademark Number Dated
- | | |
|-----------|----------|
| 1,287,682 | 7/31/84 |
| 2,031,653 | 1/21/97 |
| 2,019,699 | 11/26/96 |
| 75-547483 | 9/3/98 |
5. Name and address of party to whom correspondence should be directed. Gandin, Schotsky, Rappaport, Glass & Greene, LLP, 445 Broad Hollow Road, Suite 215, Melville, New York 11747; Attn: Karen S. Bennett, Esq.
6. Total number of Trademarks involved. Four (4).
7. Amount of fee enclosed. \$235.00, by a check payable to The Commissioner of Patents and Trademarks covering the "**expedited fee**" of \$120.00 and assignment fee for four (4) Trademarks, \$115.00.
8. Deposit account number. Not applicable.
9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Cohen Fashion Optical, Inc.
(Name)


Robert Cohen, President

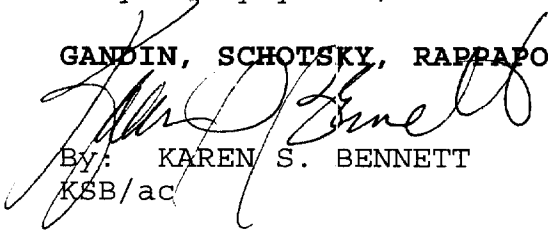
May 24, 1999
(Date)

Please acknowledge your receipt of this letter and the accompanying enclosures by signing or stamping the enclosed extra copy of this letter and returning it to me in the enclosed, postage prepaid envelope.

Thank you for your assistance. If you have any questions concerning this matter, please call me at (516) 293-2300.

Very truly yours,

GANDIN, SCHOTSKY, RAPPAPORT, GLASS & GREENE, LLP


By: KAREN S. BENNETT
KSB/ac

Enclosures

cc: KeyBank National Association

Attn: Tamra J. Lofaro, Vice President

UNITED STATES TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT
COHEN FASHION OPTICAL, INC.

This UNITED STATES TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of May 24, 1999 by COHEN FASHION OPTICAL, INC., a New York corporation, having an address at 1500 Hempstead Turnpike, East Meadow, New York 11554 ("CFO"), to and in favor of KEYBANK NATIONAL ASSOCIATION, a national banking association, having an office at 1377 Motor Parkway, Hauppauge, New York 11788 (the "Secured Party").

RECITALS

A. Pursuant to a certain Revolving Line of Credit and Secured Term Loan Note and Agreement, dated May __, 1999 (the "Note Agreement"), the Secured Party has agreed to make certain financial accommodations to CFO, in the aggregate amount of up to \$8,000,000, subject to, among other conditions, CFO's execution and delivery of this Agreement to Secured Party.

B. CFO has agreed to secure its obligations under the Note Agreement by, among other things, executing and delivering this Agreement to Secured Party.

Accordingly, CFO and the Secured Party hereby agree as follows:

1. **DEFINITIONS**

Terms used herein that are defined in the Note Agreement shall have the meanings assigned to them therein, unless otherwise defined herein. References to this "Agreement" shall mean this United States Trademark Collateral Assignment and Security Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to this Agreement as the same may be in effect at the time such reference becomes operative.

2. **GRANT OF INTEREST**

2.1 Trademarks and Licenses. CFO hereby grants, bargains, mortgages, pledges, creates in favor of, and conveys to the Secured Party, as security for the prompt payment of all of CFO's obligations to Secured Party under the Note Agreement (the "Obligations") in full when due, a security interest in the entire right, title and interest of CFO, in and to all of its now owned, existing or filed, or hereafter acquired, arising or filed:

(a) (i) trademarks, other marks, trademark registrations, trade names and trademark applications, including, without limitation, those listed on Schedule A hereto, (ii) all renewals of any of the foregoing, (iii) all damages or payments

for past due or future infringements of any of the foregoing, (iv) the right to sue for past, present and future infringements of any of the foregoing, and (v) all rights corresponding to any of the foregoing throughout the world (all, collectively, the "Trademarks"); and

(b) to the extent assignable without causing a default thereunder, licenses and license agreements with any other Person under or with respect to any of the Trademarks (all licenses and license agreements, including, but not limited to, franchise agreements, assigned to the Secured Party pursuant hereto hereinafter collectively called the "Licenses").

2.2 Restrictions on Future Agreements. CFO agrees that until the Obligations shall have been paid and performed in full, and except as otherwise permitted under the Note Agreement, CFO will not, without the Secured Party's prior written consent, enter into any agreement, including, without limitation, any license agreement, that grants to any Person other than the Secured Party rights to or interests in any Trademarks and is inconsistent with CFO's obligations under this Agreement; provided, however, that, prior to the occurrence of a default (after any required notice and the expiration of any applicable cure and/or grace provision provided for therein), under and as that term is defined in the Note Agreement (an "Event of Default"), CFO may, without consent of, or notice to, the Secured Party, grant licenses to use any of CFO's Trademarks or Licenses in the ordinary course of CFO's business (including, but not limited to, the right to enter into Franchise Agreements, License Agreements and Management Agreements), and to grant, to others, the right and license to use one or more of the Trademarks. CFO further agrees that, except as otherwise expressly permitted by the Note Agreement and/or this Agreement, it will not take any action, or permit any action to be taken by any affiliate of CFO or other Person subject to CFO's control, including, without limitation, licensees, or fail to take any action, that would adversely affect, in any material respect, the validity or enforcement of the rights granted to the Secured Party under this Agreement, taken as a whole.

2.3 New Trademarks. CFO represents and warrants that, except as otherwise set forth on Schedule A: (i) the Trademarks listed in Schedule A hereto are owned by CFO; and (ii) the Trademarks constitute all of the Trademarks registered in the name of CFO in United States. If, during the term of this Agreement, CFO shall (i) obtain any new Trademarks or rights thereto or (ii) become entitled to the benefit of any new Trademark, CFO shall give to the Secured Party prompt written notice thereof and shall enter into a supplement to this Agreement incorporating herein such new Trademarks.

2.4 Royalties and Terms. CFO agrees that upon the occurrence and continuance of an Event of Default under the Note Agreement, the Secured Party (or any designee of the Secured Party) may, subject to applicable law and to any then-existing Licenses granted by CFO of any such Trademarks, use any or all of the Trademarks or Licenses worldwide without any liability to CFO for royalties or other related charges. The term of the right to use granted in this Section 2.4 shall extend until the earlier of (i) the expiration of all rights under each of the respective Trademarks or Licenses securing the Note Agreement; (ii) the payment and performance in full of the Obligations and the Note Agreement; or (iii) any other release of the security interest granted hereunder, as otherwise required by the terms of this Agreement and/or the Note Agreement.

2.5 Release. Upon the payment and performance in full of the Obligations, or as otherwise may be required under the Note Agreement or this Agreement, the Secured Party shall execute and deliver to CFO, at CFO's request, such releases, satisfactions, deeds, assignments and other instruments as may be necessary to relinquish any of the Secured Party's rights in such of the Trademarks or Licenses as shall not have been previously sold or disposed of, by the Secured Party, pursuant to the terms of this Agreement.

2.6 Duties of CFO. Until the Obligations shall have been paid and performed in full, or until the security interest is released, as otherwise required hereunder, CFO shall (i) prosecute diligently any patent application and any trademark application pending as of the date hereof, and (ii) preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with such applications shall be borne by CFO. CFO shall not abandon any Trademark or License or the right to file any Trademark application unless CFO, in its reasonable discretion, determines that to take such action in a particular instance would be in the best commercial interest of CFO.

2.7 Secured Party's Right to Sue. If an Event of Default shall have occurred and be continuing, the Secured Party shall have the right, but shall in no way be obligated, to bring suit on behalf of CFO to enforce any of the Trademarks or Licenses in the event CFO declines to bring such suit and, if the Secured Party shall commence any such suit, CFO shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement and CFO shall promptly pay, or reimburse and indemnify the Secured Party upon demand, for all out-of-pocket costs and expenses (including, without limitation, reasonable attorney's fees) incurred by the Secured Party in the exercise of its rights under this Section 2.7.

3. FILINGS AND CONSENTS

CFO shall deliver to the Secured Party, upon the execution and delivery of this Agreement, in form and substance reasonably satisfactory to the Secured Party, such instruments and documents as shall be necessary, in the reasonable opinion of the Secured Party, to perfect the interests granted by CFO to the Secured Party hereby (other than with respect to trademarks, trademark registrations, trade names and trademark applications governed by the laws of any jurisdiction other than the United States or any political subdivision thereof), including, without limitation, filings with the United States Patent and Trademark Office.

4. COVENANTS

CFO agrees that so long as any of the Obligations are outstanding, or until the Secured Party is otherwise required to terminate its security interest hereunder, and except as may otherwise be provided in the Note Agreement, or in this Agreement, unless the Secured Party agrees otherwise in writing: (a) it will, at its sole cost and expense, forever warrant and defend the Trademarks and Licenses from any and all claims and demands of any other Person; (b) it will not grant, create or permit to exist any Lien on, or security interest in, any of the Trademarks or Licenses in favor of any other Person; and (c) it will not enter into any agreement that is inconsistent with CFO's obligations under this Agreement.

5. DEFAULT

5.1 Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, the Secured Party, in its discretion, may, upon not less than five (5) business days' notice:

(i) collect, receive, appropriate and realize upon the Trademarks and Licenses, or any part thereof;

(ii) to the extent not prohibited by law, enter, with or without process of law and without breach of the peace, any premises where the Trademarks and/or Licenses or the books and records of CFO related thereto are or may be located, and without charge or liability to the Secured Party therefor seize and remove the Trademarks and Licenses (and copies for CFO's books and records in any way relating to the Trademarks and Licenses) from said premises and/or remain upon such premises and use the same (together with said books and records) for the purpose of collecting, preparing and disposing of the Trademarks and Licenses; or

(iii) sell or otherwise dispose, including, without limitation, the granting of licenses, of any of the Trademarks and/or Licenses at public or private sale for cash or credit in accordance with applicable law.

(b) Upon the occurrence and during the continuance of an Event of Default, the Secured Party, in its discretion, may exercise any one or more of the rights and remedies accruing to a secured party under the UCC as adopted in the relevant state or states and any other applicable law upon default of a debtor (other than those providing for any of the rights set forth in Section 5.1(a) above). CFO recognizes that in the event CFO fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, no remedy of law will provide adequate relief to the Secured Party, and CFO agrees that the Secured Party shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

(c) Any notice required to be given by the Secured Party of a sale, lease, other disposition of the Trademarks and/or Licenses or any other intended action by the Secured Party, delivered by telex, facsimile transmission or overnight mail courier service, postage prepaid and duly addressed to CFO at its address set forth in Section 6.5 hereof, not less than ten (10) Business Days prior to such proposed action, shall constitute commercially reasonable and fair notice thereof to CFO.

(d) The Secured Party shall have the right at any time, in its discretion, without notice thereof to CFO, to take control, in any manner, of any item of payment for or proceeds of any of the Trademarks or Licenses of CFO.

(e) The Secured Party may, if the Secured Party deems it reasonable, postpone or adjourn any sale of the Trademarks and/or Licenses, or any part thereof, from time to time, by an announcement at the time and place of sale or by announcement at the time and place of such postponed or adjourned sale, without being required to give a new notice of sale.

(f) All cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Trademarks and Licenses of CFO may, in the discretion of the Secured Party, be held by the Secured Party as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Secured Party as reimbursement for costs and expenses, including, without limitation, reasonable attorneys' fees incurred by it in connection with the sale of the Trademarks and/or Licenses), in whole or in part, by the Secured Party to the payment of all the Obligations. Any surplus of such cash or cash proceeds held by the Secured Party and remaining after payment in full of all

amounts due under the Note Agreement, shall be paid over to CFO, subject to the rights of any holder of a subordinate lien on the Trademarks and Licenses of which the Secured Party has actual notice.

5.2 Waiver by CFO. Except as otherwise provided for in this Agreement and/or the Note Agreement, and to the extent permitted under applicable law, CFO waives (i) all rights to notice and a hearing prior to the Secured Party's taking possession or control of, or to the Secured Party's replevy, attachment or levy upon, any of the Trademarks and/or Licenses or any bond or security that might be required by any court prior to allowing the Secured Party to exercise any of the Secured Party's taking possession or control of, or to the Secured Party's exercise of any of the Secured Party's remedies hereunder, and (ii) the benefit of all valuation, appraisal and exemption laws.

5.3 Cumulative Remedies. All of the Secured Party's rights and remedies with respect to the Trademarks and Licenses, whether established hereby or by the Note Agreement, any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

6. MISCELLANEOUS

6.1 Waivers. No course of dealing between CFO and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege under this Agreement or the Note Agreement, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

6.2 Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable, in whole or in part, in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision or part thereof in such jurisdiction, and shall not, in any manner, affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

6.3 Modification. This Agreement cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

6.4 Binding Effect; Benefits. This Agreement shall be binding upon CFO and its successors and assigns and shall inure to the benefit of the Secured Party and their respective successors and assigns.

6.5 Notices. All notices and other communications hereunder shall be made at the addresses, in the manner and with the effect provided in the Note Agreement.

6.6 Headings. The Section titles and heading in this Agreement are and shall be without substantive meaning or context of any kind whatsoever and are for convenience of reference only.

6.7 Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement.

6.8 Governing Law; Jurisdiction. THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF. THE PARTIES HERETO CONSENT THAT ANY LEGAL OR EQUITY PROCEEDING BROUGHT IN CONNECTION WITH OR ARISING OUT OF ANY MATTER RELATING TO THIS AGREEMENT, AS WELL AS ANY DOCUMENT OR INSTRUMENT EXECUTED AND/OR TO BE EXECUTED IN CONNECTION WITH THE CONSUMMATION OF THE TRANSACTION SET FORTH HEREIN, SHALL BE INSTITUTED ONLY IN A FEDERAL OR STATE COURT OF COMPETENT JURISDICTION WITHIN THE STATE OF NEW YORK, COUNTY OF NEW YORK; AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY CONSENT TO AND SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, AND WAIVES ANY OBJECTION HE/SHE/IT MAY HAVE TO EITHER THE JURISDICTION OR VENUE OF SUCH COURTS.

IN WITNESS WHEREOF, CFO has caused this Agreement to be duly executed by its authorized officer on the day and year first above written.

COHEN FASHION OPTICAL, INC.

By: 
Title: President Robert Cohen

SECURED PARTY:

KEYBANK NATIONAL ASSOCIATION

By: 
Tamara J. Lofaro, Vice-President

SCHEDULE A
TO TRADEMARK AGREEMENT

1. Cohen's Fashion Optical - Registration No. 1,287,682
Registered July 31, 1984
2. Cohen's Optical - Registration No. 2,031,653
Registered January 21, 1997
3. Cohen's Kids Optical - Registration No. 2,019,699
Registered November 26, 1996
4. Clear Comfort⁽¹⁾ Application No. 75-547483
Filed: September 3, 1998
5. Ultimate Spectacle⁽²⁾ Registration No. - inapplicable
Date inapplicable

⁽¹⁾ Application has been submitted to U.S. Patent and Trademark Office; however, this mark has not yet been registered on the Principal Register, and there can be no assurance that said mark will be so registered.

⁽²⁾ CFO uses the name "Ultimate Spectacle"; however, no trademark registration is owned by, nor has any been filed by, CFO; CFO is only pledging such common law rights, if any, that it may have in such name.